



**DEPARTMENT OF PERSONNEL**

209 E. Musser Street, Room 101  
Carson City, Nevada 89701-4204  
(775) 684-0150  
[www.state.nv.us/personnel/](http://www.state.nv.us/personnel/)

**MEMO PERD #25/01**

July 17, 2001

TO: Department Directors  
Division Administrators

FROM: Jeanne Greene, Director  
Department of Personnel

SUBJECT: 2001 Bill Descriptions

With the 2001 Legislative session behind us, the Governor's office has asked the Department of Personnel to provide an update to department heads regarding the major changes that will affect State employees. These changes are summarized below, and unless otherwise noted, became effective on July 1, 2001. Governor Guinn has requested each of you to share this information with your employees as applicable.

**Pay Issues**

**AB 673** gave all employees a 4% pay increase on July 1, 2001, with another increase of 4% due July 1, 2002. In addition, AB 673 added one step to the classified employees' compensation schedule; provided an equivalent increase in unclassified salaries; and granted special salary adjustments to certain groups including parole and probation and juvenile parole officers, correctional officers and engineers. Additionally, legislation in SB 84 increased the compensation of uniformed highway patrol positions. For the most part, all these increases have been implemented automatically in our payroll system, and the July 20 paychecks will reflect one week at the higher rates.

On a related note, a number of questions and concerns have arisen regarding the perceived inequities the special salary increases have created among positions and classes closely related to those moving upward. The special increases were granted by the Legislature to address recruitment and retention problems related to specific critical areas, and the Legislature alone has the authority to grant salary increases based on market disparity. It should be emphasized that these changes were not based on classification factors, and there is no provisions in

regulation or statute that allow the Department of Personnel to realign grade levels based on special adjustments authorized by the Legislature. The basis for reclassification of any position must still be based on significant change since the position was last reviewed.

### **Retirement**

**SB 349** expands retirement benefits for public employees. Members of the Public Employees Retirement System will receive 2.5% of their average compensation for each year of service earned before July 1, 2001, and 2.67% for each year of service earned on or after July 1, 2001. In addition, members covered by the police/fire retirement policies may now retire at any age with 25 years of service, and as of January 1, 2002, unmarried members may designate a survivor beneficiary to receive benefits under certain circumstances.

**AB 555** allows public-sector retirees to return to public service without suspension of their retirement benefits and re-enroll in the Public Employees Retirement System when she or he fills a position for which there is a critical labor shortage. Eligible retirees must be receiving an unmodified benefit or have reached the required age to receive an unmodified benefit. Retirees seeking employment with the State of Nevada under AB 555 must also meet current minimum qualifications and must be appointed according to the provisions of NAC 284, Rules for Personnel Administration.

Critical labor shortage positions in State government will be determined by the State Board of Examiners and by the Board of Regents for positions in the University and Community College System. At the request of the Board of Examiners, the Department of Personnel has developed guidelines and procedures to assist in the implementation of AB 555, which the Board adopted on a temporary basis at their July 10<sup>th</sup> meeting. We recently provided each agency with a copy of these guidelines as well as a form that will be used by agencies to request the Board's consideration in designating positions as experiencing a critical labor shortage. This law was effective on July 1, 2001, on a pilot basis and is scheduled to sunset on June 30, 2005.

### **Other Legislation of Interest**

**AB 95** removed the 30-day grace period for filing annual employee performance reviews, and reports must now be filed on or before the 12-month due date or the performance of the employee will be deemed standard. The Department of Personnel will be emphasizing this change in our upcoming training classes; however, it is important that each of your supervisors be made aware of this change immediately.

**AB 285** allows employees who are denied catastrophic leave to appeal the decision to a five-member committee. The committee will consist of three executive officers of State agencies and two members who represent labor and will be appointed by Governor Guinn. The Department of Personnel has developed and distributed forms to assist in implementing an appeal process. We will also be assisting the committee in developing appeal procedures, and a member of my staff will serve as committee secretary.

July 17, 2001

Page 3

**SB 518** increases allowable per diem for employees who must travel as part of their official duties to \$76 on July 1, 2001, and to \$84 on July 1, 2002. The Department of Administration will be providing additional guidelines regarding this increase.

**AB 2 (from the Special Legislative Session)** allows a State employee or his beneficiaries to receive payment for a portion of his "special sick" leave account when he voluntarily resigns from State service, retires, or upon his death. This payment would be in addition to the current capped amounts and would be calculated as follows:

$$\frac{\text{special sick leave hours accrued and not carried forward}}{2} + \frac{120 \text{ hours}}{2} \times \text{rate of pay} = \text{payment amount}$$

In an Attorney General's opinion prepared by Senior Deputy Attorney General, Jim Spencer, it has been determined that the additional 120 hours must be deducted from an employee's regular sick leave account. If the employee does not have an additional 120 hours of regular sick leave, he will not receive any payment under AB 2, even if he has unused sick leave in his special sick leave account.

Finally, from July 1, 2001 until June 30, 2002, employees who donated special sick leave hours to an account for catastrophic leave within the last three years will be able to restore those hours from their regular sick leave accounts. Our payroll staff is in the process of developing specific procedures to implement the provisions of AB 2 and will be providing guidance to agency pay clerks in the next couple of weeks.

**AB 604** allows the Governor or head of a State agency to present service awards to State employees for faithful and exceptional public service. This expands the previous provisions of NRS 285, which allowed a \$10-expenditure to recognize longevity. The State Board of Examiners will establish the maximum cost of these non-monetary awards in an upcoming meeting.

I hope this summary is useful. If you have any questions or need additional information, please call me at (775) 684-0131.

JG:cp

cc: The Honorable Kenny C. Guinn, Governor  
Agency Personnel Liaisons  
Agency Personnel Representatives